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UNCLAS SECTION 01 OF 03 KATHMANDU 000769

SIPDIS

SENSITIVE

STATE FOR SA/INS LONDON FOR POL - GURNEY

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TAGS: PTER PGOV NP GON

SUBJECT: NEPAL: GOVERNMENT AND MAOISTS HOLD FIRST ROUND OF

PEACE TALKS

REF: A. KATHMANDU 0723

¶B. KATHMANDU 0692

SUMMARY

11. (SBU) On April 27 Government of Nepal (GON) negotiators held the first round of peace talks with their Maoist counterparts in a Kathmandu hotel. During the talks the Maoists presented a set of 24 demands that included a constituent assembly to draft a new constitution; the integration of the Royal Nepal Army with the Maoist People's Army; an end to foreign military assistance; abrogation of the 50-year-old bilateral treaty with India; and repeal of anti-terrorism measures. Implicit in many of the demands was either outright abolition of Nepal's constitutinal monarchy or far stricter limits on his powers. Negotiators appointed a four-person team of facilitators for future dialogue and agreed to establish a committee to monitor compliance with the code of conduct. Spokesmen for both sides said they were pleased with progress made during this initial round. The date and venue for the next round of talks have not yet been decided. Although many of the Maoist demands clearly exceed what the GON is prepared to concede, this first meeting marks an important milestone in a still incipient peace process. End summary.

MAOISTS SPELL OUT DEMANDS

- 12. (U) On April 27 Government of Nepal (GON) negotiators officially opened dialogue with their Maoist counterparts for the first time since the January 29 ceasefire announcement. (The Maoists had unilaterally called off an earlier first session initially scheduled for April 21.) Deputy Prime Minister Badri Prasad Mandal led the six-person GON delegation (Ref B), while chief ideologue Dr. Baburam Bhattarai headed the five-man Maoist team. After the meeting, spokesmen for both sides told the local media that they were pleased with the progress achieved during the round, which lasted four and a half hours at a Kathmandu hotel.
- 13. (U) The Maoists reportedly presented their GON interlocutors with a set of 24 demands (considerably pared down from the 40-point set first submitted to the then-government in 1996). Salient features of these demands (most of which have previously surfaced in Maoist public statements over the past months) follow below:
- A) Drafting of a New Constitution
- --process begins with an all-party roundtable conference to set up an interim government headed by the Maoists;
- --the Maoist-led interim government then oversees elections to a constituent assembly that drafts a new constitution;
- --the new constitution will differ from the current constitution in that:
 - a) "state power" is entirely vested in the people;
- b) the Maoist People's Army is integrated into the Royal Nepal Army, which subsequently is placed under the control of "the people";
- c) Nepal is designated a secular state, rather than a "Hindu kingdom";
- d) no part of the new constitution is "unalterable"; any part may be changed by referendum;
- e) education, health care and employment will be made fundamental rights;
 - f) extensive land reforms will be instituted.

B) Foreign Relations

- --all foreign relations should be governed by the principles of non-alignment;
- --the 1950 Treaty of Peace and Friendship between the GON and India should be abrogated; --the open border with India should be controlled and regulated;
- --foreign military assistance and agreements introduced under the guise of combating terrorism that have "a serious impact on the national interest" should be ended;
- --recruitment (by the Indian and British militaries) of Nepalis into Gurkha regiments should end;
- -- "foreign monopolies" in trade, industry and financial services must be abolished;
- --interference by foreigners working for NGOs and INGOs must stop:
- --terms and conditions of foreign loans should be renounced if deemed against the national interest;
- --the importation of magazines and movies that "pollute" the national culture should cease.
- C) Repeal of Anti-terrorism Measures
- --existing anti-terrorism legislation should be abolished;
- -- Maoist Politburo members must be released from detention;
- --Royal Nepal Army soldiers must return to their barracks within one week;
- --whereabouts of missing Maoist cadres must be disclosed.

FACILITATORS NAMED; MONITORS TO BE NAMED

14. (U) Besides the presentation of the Maoist agenda, the first round of talks also saw the appointment of a four-man team of facilitators. The Maoists chose lawyer and former Nepali Congress MP Dham Nath Dhungana and self-described human rights activist Padma Ratna Tuladhar, both of whom served as facilitators in the abortive round of negotiations in 2001, to represent their interests. For the GON side, septuagenarians Shailendra Upadhyay and Karna Dhoj Adhikary, former Foreign Minister and former Chief Secretary during the partyless Panchayat era respectively, were appointed. A separate bilateral team to monitor compliance with the code of conduct will be named at the next round of talks, GON negotiator and Physical Planning Minister Narayan Singh Pun told the press. The date and venue for a second round have not yet been determined.

COMMENT

15. (SBU) The Maoist demands are fairly comprehensive, including not only the oft-repeated call for a constituent assembly but also a detailed prescription for what that as-yet unelected assembly should decide. That the hypothetically freely and fairly elected assembly might decide that a new constitution is unnecessary does not appear to have entered into the Maoist calculus. If the Maoists are truly calling, as they have so often claimed, for free and fair elections to a constituent assembly, it is unclear on what basis they demand leadership of the all-party body overseeing those elections and how they can dictate the shape of the resulting constitution. Although much of the Maoists' apparent xenophobia appears directly targeted at limiting Indian influence, the references to INGO "interference" (a swipe at the IFIs) and foreign military assistance under the guise of counter-terrorism (a swipe at us, the UK, and India) obviously stand out. While the Maoist agenda presented on April 27 never explicitly calls for an end to the monarchy, the proposed changes to the Constitution (e.g., the transfer of "state power" and control of the Army to "the people"; the abolition of such stringent limits on royal authority as to render it superfluous. It is unlikely that King Gyanendra will agree to such fundamental and drastic changes—nor does there appear to be much popular appetite to institute them. The Government of India is likely to be equally unenthusiastic about the calls to abrogate the 1950 bilateral accord and to establish greater border controls. The newer, tighter list of demands has eliminated much of the "soft" socio-economic elements of earlier iterations of the Maoist

agenda, leaving little potential common ground on which the two sides might begin substantive dialogue. MALINOWSKI